

Fixed Assets Definition, Responsibilities and Annual Inventory Instructions

INTRODUCTION:

Fixed assets are classified as either capitalized (\$5000.00) and are acquired for use in normal operations (i.e., not for resale). These assets are recorded at the historical cost for purchased assets and at the fair market value on the date of gift for donated assets. Notification is received through the Office of Sponsored Programs for donated gifts-in-kind. The asset's cost includes all payments required to place the asset in its intended state of operation. The Office of the State Controller has mandated that, effective July 1, 2001, library books and other library materials will not be capitalized or recorded on the Fixed Assets System. The Financial Reporting Section of the Controller's Office in conjunction with the Purchasing Department is responsible for the tagging, inventory and maintenance of the University's fixed asset accounting and control records which document equipment, land and buildings acquired and donated to the University, in addition to control and safeguarding of assets. This information is used in the computation of overhead rates, the computation of adequate insurance coverage and the computation of losses by fire or theft.

INVENTORIED FIXED ASSETS:

Inventoried fixed assets includes all assets \$5,000 or greater. The cost of inventoried items includes shipping charges, legal fees, setup costs, connected components (when applicable) etc. in addition to purchase price, all of which together must equal at least \$5,000. Items that cost less than \$5,000 will be expensed in the accrual process.

RESPONSIBILITIES:

Each Department Head is responsible for safeguarding all assets purchased for his or her department and assisting with the physical inventory process. Departments may maintain their own database or spreadsheet of assets to track their locations. Each department is also susceptible to internal and external audit verifications on a sample of fixed assets. Based on the University's inventory and capitalization policies, the Receiving Department staff determines which items will be assigned a tag number and added to the Banner Fixed Assets System. Items \$5,000 or greater will be added to the Banner Fixed Asset System and to the Bassets Fixed Assets System. The Receiving Department staff is responsible for physically placing the tag number on the front or other easily accessible area of the asset. **Under no circumstances should anyone take an item off campus before the Receiving Department staff has properly tagged it.**

FIXED ASSET IDENTIFICATION--PROPERTY TAGS:

A tag number identifies items recorded in the Banner Fixed Assets System. The tag number is used to facilitate the physical inventory process. Maintaining a positive identification of assets is the primary purpose of tagging.

Tagging is important to:

- ❖ Provide an accurate method of identifying individual assets as university property
 - Aid in the taking of the physical inventory
 - Control the location of inventoried physical assets
 - Provide a common ground of communication for both the Fixed Assets Management Group and the assets' users.
- ❖ The asset record includes information such as description, department, manufacturer, serial number, location, budget code, account number, purchase order number, check number, cost, commodity classification code and date acquired. Departments are encouraged to maintain an inhouse inventory of all equipment items purchased, regardless of whether the item is recorded on the Banner Fixed Asset System. Fixed Asset records are verified annually for accuracy by the State Auditors.

Department Instructions: How to Prepare for Annual Inventory

The University Fixed Assets Coordinator will email you a copy of all fixed assets currently assigned to your department for the fiscal year. Once you have received the email, the Department Head and/or their designee(s) will complete the report by verifying the listed Fixed Assets as verified, missing or surplus. Once the report is completed, the report will be emailed to the Fixed Assets Coordinator and an appointment for their annual inventory inspection will be scheduled. This is usually conducted on the same date as the previous year. Listed below is what needs to happen prior to the FA Coordinator's arrival.

“Department Head is responsible for safeguarding all assets purchased for his or her department and assisting with the physical inventory process.”

Department Heads or Managers will be responsible for:

1. Assigning two full time employee(s)-one primary and a backup to perform the inventory of their department.
2. Providing the detailed instructions to their team(s) and ensuring the inventory is properly conducted and maintained throughout the year.
3. Once inventory has been completed verify and sign inventory sheet and return to Fixed Assets Coordinator.

Designees will be responsible for:

1. Physically verifying each item and its location by placing a check mark beside the corresponding asset number on the worksheet. Visibly verify that the numbers (asset number, serial number, model number) on the equipment agree with the numbers on

the worksheet. If there are missing tags, please contact Fixed Assets Coordinator so that replacement tags can be made prior to his/her onsite visit.

2. NOTE**Leased equipment is not property of the University. Therefore, any leased equipment (computers, etc.) will not appear on any of the worksheets. Please do not add any of this equipment to your worksheets since it does not belong to UNCP.

3. Add any items found in a section's area that are not listed on the bottom of the inventory worksheet corresponding to its present location. If applicable, be sure to provide all required data, such as asset number, description, condition and serial number (i.e. #015577, Compaq Computer, New, S/N 58974CFGHT-345).

4. Note: The only assets that should be listed on the inventory worksheets are University assets valued at \$5,000 or more.

5. Make a concerted effort to locate all equipment assigned to your area. For assets listed on the inventory but not located in the room being inventoried, the following options (below) are available. Keep in mind, if you are unable to locate an item, the office representative (occupant) should know the assets correct location.

6. If the correct location is known, write the current room/cubicle location in the field labeled "building/room location".

7. If the correct location is not known, please provide a written explanation at the bottom of the inventory listing. This explanation should include the date the asset was last in custody and the circumstances regarding its removal.

8. If the item is "missing" (alleged stolen), provide the date and a copy of the police report that was filed at the bottom of the appropriate worksheet.

9. Note: Missing equipment should be reported immediately to Department Head/Manager and Fixed Assets Coordinator and is subject to investigation by the UNCP Campus Police and local police authorities, and you must file a police report for any items determined to be missing.

10. If assets have been surplused- you must provide a copy of the UNC-Pembroke Transfer of Movable/Surplus Form and the FAS-1 Form. Both available on Auxiliary and Business Services UNCP Page.

11. If assets have been transferred to another department, the original department must complete the request to remove and/or Add Fixed Assets form so that the custodian information can be changed in Banner.

12. Make notations in the "building/room location" regarding the location of any assets housed in an employee's home or any other personal off-site location. If equipment maintained in an employee's home is not listed on the worksheet, the employee must provide the asset number, description, condition, and serial number of the asset(s) at the bottom of the worksheet which corresponds with the employee's room/cubicle number.

13. List any fixed assets on loan to another UNC operation, another state agency or other organization on the worksheet for the workspace of the employee responsible for the loaned items. Indicate in the "building/room location" section the assets' status as "on

loan” and provide the actual location of the loaned assets at the bottom of the appropriate worksheet (i.e. General Assembly, Room 100). Any assets on loan to another state agency or organization not shown on the inventory worksheet must be added. With these cases, please provide the asset number, location, description, condition, and serial number.

14. Note: Equipment purchased by UNCP cannot be permanently transferred to another governmental entity or organization. However, equipment may be sold to other entities with the approval of the State Surplus Property Office.

15. Confirm that the inventory worksheets are properly completed and signed by the individual conducting the inventory and the Department Head. Sign the last page of the inventory worksheet and return them to the Fixed Assets Coordinator in the Controller Office or Asset.management@uncp.edu.

The Fixed Asset Coordinator will maintain an official copy of the completed annual fixed asset inventory records for three years following the annual inventory audit.

When the inventory is complete and the fixed asset data files are updated, a copy of the inventory listing will be provided reflecting all adjustments made because of the inventory. Questions should be addressed to the Fixed Asset Coordinator @ 910-521-6234 or Asset.management@uncp.edu.